



**NAILAH K. BYRD**  
**CUYAHOGA COUNTY CLERK OF COURTS**  
1200 Ontario Street  
Cleveland, Ohio 44113

**Court of Common Pleas**

**New Case Electronically Filed:**  
**December 18, 2019 12:23**

By: KEVIN P. SHANNON 0084095

Confirmation Nbr. 1897074

SCHEEL PUBLISHING, INC.

CV 19 926765

vs.

**Judge:** DEENA R. CALABRESE

RIYAD (ROD) KHLEIF, ET AL.

**Pages Filed:** 28

IN THE COMMON PLEAS COURT  
CUYAHOGA COUNTY, OHIO

SCHEEL PUBLISHING, INC.,  
dba COMMERCIAL ACADEMY, LLC,  
COMMERCIAL PROPERTY ACADEMY,  
LLC, and  
DIAMOND INNER CIRCLE, LLC  
5900 SOM Center Road  
Suite 12-336  
Willoughby, OH 44094

*Plaintiff,*

v.

RIYAD (ROD) KHLEIF  
2405 Bayshore Road  
Nokomis, FL 34275

and

TIFFANY LOWE-KHLEIF  
2405 Bayshore Road  
Nokomis, FL 34275

and

LIFETIME CASHFLOW ACADEMY, LLC  
8388 S. Tamiami Trail, #153  
Sarasota, FL 34238

and

REM EQUITY GROUP, LLC dba REM  
CAPITAL PARTNERS  
180 Triple Diamond Boulevard B4  
North Venice, FL 34275

*Defendants.*

CASE NO.:

JUDGE:

**COMPLAINT**

**(Jury Demand Endorsed Hereon)**

For its Complaint against Defendants, Rod Khleif, Tiffany Lowe-Khleif, Lifetime Cashflow Academy, LLC, and REM Equity Group, Plaintiff Scheel Publishing, Inc. (dba Commercial Academy, LLC, Commercial Property Academy, LLC and Diamond Inner Circle, LLC) alleges, avers and states as follows:

#### **THE PARTIES**

1. Plaintiff Scheel Publishing, Inc. ("SPI") is an Ohio corporation with its principal place of business in Lake County, Ohio. At all relevant times herein, SPI's principal place of business was located in Cuyahoga County in the Baker Building, 1940 East Sixth Street, Cleveland, Ohio 44114.

2. SPI is an educational company offering education and training in the commercial real estate industry. SPI offers training, consulting, digital training, live events, mastermind groups, software, in-person coaching and home study programs in real estate investing.

3. SPI and its principal, J. Scott Scheel ("Scheel"), provide education and training on commercial real estate investing to thousands of students and investors each year. Scheel is a successful real estate investor and instructor with over 20 years of experience and success in the commercial real estate industry.

4. Defendant Riyadh (Rod) Khleif ("Khleif") is an individual who resides in Nokomis, Florida.

5. Defendant Tiffany Lowe-Khleif ("Lowe-Khleif") is an individual who resides in Nokomis, Florida. Khleif and Lowe-Khleif are husband and wife.

6. Defendant Lifetime Cashflow Academy, LLC ("Lifetime") is a Florida limited liability company and direct competitor of SPI with its principal place of business located in

Sarasota, Florida. Khleif and Lowe-Khleif are identified in Lifetime's Articles of Organization as the two managers of the company.

7. Defendant REM Equity Group, LLC, dba REM Capital Partners ("REM") is a Florida limited liability company with its principal place of business located in North Venice, Florida. Khleif and Lowe-Khleif are the owners of the company, and Khleif is identified as a manager of the company in REM's Articles of Organization.

### **JURISDICTION AND VENUE**

8. Jurisdiction and venue are proper in this Court because all the acts or omissions giving rise to Plaintiff's claims took place in Cuyahoga County. Jurisdiction and Venue are also proper in this Court because the contract between Plaintiff and Defendant contains a valid and enforceable choice of venue clause requiring that any action on the contract be brought in Cuyahoga County, Ohio.

### **FACTUAL BACKGROUND**

9. SPI is a company that provides education, consulting, training and mentoring in the commercial real estate industry.

10. SPI's flagship event is known as the Commercial Property Academy, which is a multi-day, in-person real estate training course at which Scheel instructs SPI's students using his personal, successful real estate investing strategies. Scheel has honed and implemented these strategies over the course of his career.

11. SPI also offers home-study programs including the Complete Apartment Investing Program, which instructs students on all aspects of multifamily property investing. SPI also offers other multifamily home-study programs including the Complete Commercial

Investing Program, Commercial Profit Accelerator, Land Development Time Machine, and the Apartment Time Machine.

12. Since the founding of the Commercial Property Academy, SPI has trained over 100,000 investors using its proprietary, confidential, and successful real estate investing strategies.

13. Scheel is recognized in the industry as an expert in the multifamily and commercial real estate investment field.

14. In addition to the Commercial Property Academy and other programs, SPI offers a select group of investors membership in its Diamond Inner Circle program.

15. Diamond Inner Circle members pay an annual fee between \$25,000-\$45,000 for the right to participate in the program.

16. Diamond Inner Circle members enjoy direct access to Mr. Scheel and his team, and have the ability to invest in real estate deals with other members of the group. Over the years, SPI and Scheel have mentored hundreds of students through the Diamond Inner Circle program.

17. Diamond Inner Circle members are also granted access to SPI's propriety deal evaluation software, which has been developed based on Scheel's years of industry experience and expertise.

18. Diamond Inner Circle members have direct access to Scheel and SPI's multifamily investing expertise. Diamond Inner Circle members have realized great success in multifamily investing as a result of Scheel's and SPI's expertise.

19. Scheel met Khleif in approximately November 2005 when Khleif and his brother paid to attend SPI's Commercial Property Academy.

20. Khleif also attended SPI's Land Development Boot Camp in Atlanta in 2005.

21. Khleif and his brother attended several SPI events in 2006 as well.

22. Approximately 10 years later, Khleif began attending SPI programs again, this time with his wife, Lowe-Khleif.

23. Khleif and Lowe-Khleif attended a Commercial Property Academy together in 2016.

24. In March 2016, Khleif approached Scheel and SPI about joining the Diamond Inner Circle.

25. The membership fee for the Diamond Inner Circle is typically \$30,000 if the member wishes to utilize a payment plan. However, SPI agreed to a reduced price of \$25,000 for Khleif initially as he was to pay this in full after the \$5,000 was paid. In addition, SPI granted Mr. Khleif's request to pay his fee over time via a payment plan because Khleif did not have the funds necessary to pay the entire fee when he joined the program.

26. The payment plan required Khleif to make an initial \$5,000 deposit in March 2016 with successive \$2,000 payments to be made in the following ten (10) months.

27. In his application to the Diamond Inner Circle, Mr. Khleif described his real estate investing experience as having "owned over 2,000 single family homes." A copy of the application is attached as Exhibit A. Mr. Khleif did not report that he had any experience with commercial properties or multifamily properties.

28. In connection with his admittance into the Diamond Inner Circle, Mr. Khleif executed a Service Agreement. A copy of the Service Agreement is attached hereto as Exhibit B.

29. The Service Agreement contains a choice of venue provision requiring that “[t]he laws of the State of Ohio shall govern this agreement and the participant and SPI agree that the exclusive venue shall be state and federal courts located in Cuyahoga County, Ohio.”

30. The Service Agreement provides for the accrual of interest on unpaid membership fees at 1.5% per month and states that SPI shall “be entitled to receive all collections, costs and expenses including but not limited to reasonable attorney’s fees.” (*See* Exhibit B)

31. The Service Agreement also contains a comprehensive clause protecting the confidential and proprietary training materials that were shared with Khleif and Lowe-Khleif during their membership in the Diamond Inner Circle. That provision states:

Participant understands that all materials, concepts, and information (collectively, “Materials”) presented and used by SPI during participant’s participation in the Diamond Inner Circle, either orally or in writing, are the property of SPI and are protected by copyright, trade secret, and other applicable laws. Participant acknowledges that the Materials constitute commercially valuable, proprietary, confidential property of SPI, the design and development of which require the investment of substantial effort, time, and money by SPI.

All rights in the Diamond Inner Circle and the Materials are expressly reserved by SPI. Participant agrees not to reproduce, copy or otherwise duplicate, and not to distribute, lend, or otherwise transfer, the Materials without the prior written permission of SPI.

Participant agrees not to use the Materials in any way that would compromise the confidential and proprietary nature of the Materials. Participant understands that the Materials presented by SPI and the Diamond Inner Circle are intended solely for use in the Diamond Inner Circle. Participant understands membership in the program includes a license to use the Materials for participant’s use but not disclosure of the Materials to third parties without SPI’s consent. Participant may discuss the program and benefits participant realized from participation with third parties. Participant agrees not to resell, reproduce, or market, modify and sell, or repackage and sell the materials. Participant agrees that I will not use the Materials for any purpose other than Participant’s own personal use except with the prior written permission of SPI. Participant agrees not to deliver or transmit the Materials to third parties, not to copy, extract or disseminate any Materials (on-line, in print, or otherwise) and shall not reproduce or modify said Materials, or a portion of the contents of said materials either orally or in writing, as part of any seminar, training program, workshop, consulting, or similar business activity

which Participant may make available to Participant's clients or to others, except with the prior written permission of SPI.

32. Khleif signed the Service Agreement and made his initial \$5,000 payment on March 18, 2016.

33. Each Diamond Inner Circle member is able to apply for one companion membership for a spouse or business partner. Khleif applied to have his wife become a companion member of the Diamond Inner Circle.

34. A companion member enjoys the same benefits as a Diamond Inner Circle member, including the ability to attend all of SPI's programs. As a companion member, Lowe-Khleif agreed to abide by the Service Agreement and keep all of SPI's proprietary material strictly confidential.

35. On his Diamond Inner Circle intake questionnaire, Khleif was asked about his commercial real estate investing experience. Khleif stated that he had owned just one multifamily apartment complex in his career.

36. Khleif also explained that he had applied for just one commercial loan for an apartment complex 10-12 years before he applied to join the Diamond Inner Circle. Khleif did not have any relationships with commercial lenders at the time he applied.

37. Khleif confirmed that he did not have any experience working with deal evaluation software such as SPI's Opportunity Evaluator Software.

38. Ultimately, Khleif made only five (5) of the \$2,000 payments and paid the total amount of \$15,000, leaving an outstanding balance of \$10,000.

39. Khleif attended the Diamond Inner Circle meeting in Cleveland on August 3 - 4, 2016. At the meeting, Khleif made a presentation to the group indicating that his goals were to "close on a multi-family property this year" and that he and REM wanted to "find our first deal."



40. On August 25, 2016, SPI sent Khleif an invoice reflecting the amount that had been paid and the amount that was still due for Khleif's Diamond Inner Circle Membership. A copy of this invoice is attached as Exhibit C.

41. Mr. Khleif did not make any additional payments after the invoice was sent in August 2016.

42. Scheel appeared as a guest on Khleif's podcast on July 28, 2016. On the podcast, Khleif referred to Scheel as his "greatest mentor in commercial real estate investment."

43. Khleif formed REM in June 2016, just months before he left the Diamond Inner Circle.

44. Soon after defaulting due to his inability to pay the Diamond Inner Circle membership fees and Scheel's appearance on the podcast, Khleif and Lowe-Khleif formed the Lifetime Cashflow Academy, LLC on September 13, 2016, and Khleif began to market himself as an expert on multifamily real estate investing.

45. After Khleif defaulted on his obligation to the Diamond Inner Circle, he began marketing himself as a multifamily, commercial real estate investing expert.

46. Khleif also began offering coaching services nearly identical to SPI's Commercial Property Academy and Diamond Inner Circle services.

47. A review of the materials prepared by Khleif reveals that they are largely based directly on SPI's materials. Khleif's manuals copy extensively from SPI's materials. Many sections of Khleif's materials are copied verbatim from SPI's materials, and Khleif has misappropriated several of the fundamental strategies and concepts taught by Scheel.

48. Khleif has also held real estate investment seminars in which he has taught students using the techniques and expertise he gained from SPI.

49. Khleif has recently distributed manuals on his website including a manual entitled, “How to Create Lifetime Cash Flow through Multifamily Properties.” This manual is premised on SPI’s copyrighted materials and includes substantial portions that were copied verbatim from SPI’s materials.

50. In the acknowledgement section of his Lifetime Cash Flow manual, Khleif thanked Scheel as an “incredible teacher in my life.”

51. Khleif has also published other publications that are substantially similar to SPI’s materials.

52. One course that Khleif offers is entitled “Multifamily Bootcamp: How to Buy an Apartment Building in 90 Days!”

53. Khleif advertises the Multifamily Bootcamp on Lifetime’s website. Khleif touts that he “has owned over 2,000 apartment buildings and homes and is an expert in multifamily real estate investing.”

54. Khleif’s claim to own over “2,000 apartment buildings and homes” is seriously misleading. At the time he applied to the Diamond Inner Circle in March 2016, Khleif had “owned over 2,000 single family homes” and just one apartment building.

55. Khleif also offers a Deal Desk deal submission software program on his website. This software appears to be modeled on the principles of SPI’s proprietary deal evaluation models.

56. Because Khleif had little multifamily commercial real estate experience prior to joining the Diamond Inner Circle, it is clear that his current business model is based on, and largely copied from, SPI’s programs and materials.

57. Khleif misappropriated and copied SPI's materials and used them in his Lifetime multifamily investing program.

58. The fact that Khleif formed Lifetime directly after he left the Diamond Inner Circle demonstrates that Lifetime's multifamily investing program is directly based on SPI's programs. It is clear from this timeline that Khleif and Lowe-Khleif joined the Diamond Inner Circle to copy SPI's materials and reproduce them as Khleif and Lifetime's materials.

59. Khleif continued to hold himself out as a member of the Diamond Inner Circle and profited from this affiliation despite the fact that he defaulted and never paid the entire initiation fee. Khleif only recently removed this affiliation from his website after being instructed to by SPI.

60. REM also held itself out as a member of Diamond Inner Circle when it never was. Until recently, the first result on Google when one searched for "Diamond Inner Circle" was a page on REM's website indicating that REM was a member of the group and had access to the Group's collective real estate holdings and investors. A copy of this webpage is attached as Exhibit D.

61. On its website, REM claimed that it is "part of a nationwide U.S. commercial real estate investment group, the Diamond Inner Circle (DIC)." This claim was completely false.

62. REM claimed that through its membership in the Diamond Inner Circle it had access to "a network of multimillionaire private investors with the core focus of acquiring commercial real estate and a longer-term goal of establishing a private equity group."

63. REM also listed a group of "Associate Advisors" on its website. A copy of the list of Associate Advisors is attached hereto as Exhibit E.

64. Each of REM's Associate Advisors was a current or former member of the Diamond Inner Circle that Khleif met through his membership in the group. SPI has contacted many of these individuals, who have disavowed this misrepresentation.

65. A significant portion of Khleif's multifamily real estate expertise was obtained as a result of his membership in Diamond Inner Circle and use of SPI's confidential and proprietary materials.

66. Upon information and belief, Khleif has profited greatly from his use and misappropriation of SPI's materials.

**COUNT ONE**  
**(Breach of Contract against Khleif and Lowe-Khleif)**

67. SPI incorporates by reference paragraphs 1 through 66 of this Complaint as if fully restated herein.

68. The Service Agreement between SPI, Khleif and Lowe-Khleif is a binding and enforceable contract.

69. The Service Agreement requires Khleif and Lowe-Khleif to keep SPI's materials confidential and prohibits the unauthorized use of these materials.

70. Khleif and Lowe-Khleif have breached the Service Agreement by misappropriating SPI's materials, using them for their own gain, and profiting from their improper use of them.

71. Khleif and Lowe-Khleif have also breached the Service Agreement by failing to pay the full \$25,000 initiation fee that they agreed to pay.

72. Under the Service Agreement, SPI is entitled to recover its costs of collection, including attorneys' fees, for Khleif's and Lowe-Khleif's breach of contract.

73. Khleif's and Lowe-Khleif's breach of contract is the direct and proximate cause of SPI's damages.

74. SPI has been damaged by Khleif's and Lowe-Khleif's breach of contract in an amount to be proven at trial, but reasonably believed to be in excess of \$25,000.

**COUNT TWO**  
**(Misappropriation of Trade Secrets against Khleif, Lowe-Khleif and Lifetime)**

75. SPI incorporates by reference paragraphs 1 through 74 of this Complaint as if fully restated herein.

76. SPI's proprietary and confidential teaching materials constitute trade secrets under Ohio law.

77. For more than fifteen years, SPI and Mr. Scheel have operated a commercial real estate training program in connection with which it employs a variety of intellectual property, including a significant amount of protected materials.

78. When they joined the Diamond Inner Circle, Khleif and Lowe-Khleif agreed to maintain SPI's trade secrets and not to disclose, disseminate, or copy SPI's materials.

79. Khleif, Lowe-Khleif and Lifetime acquired access to SPI's trade secrets as a result of a confidential relationship between Khleif, Lowe-Khleif, Lifetime and SPI with the specific intent to defraud, misappropriate and profit from their misappropriation.

80. Khleif, Lowe-Khleif and Lifetime have misappropriated SPI's trade secrets and used them for their own personal benefit by passing them off as their own.

81. SPI did not authorize Khleif, Lowe-Khleif or Lifetime to use SPI's trade secrets.

82. SPI has been damaged by Khleif, Lowe-Khleif and Lifetime's unauthorized use of its trade secrets in an amount to be proven at trial, but reasonably believed to be in excess of \$25,000.

**COUNT THREE**  
**(Deceptive Trade Practices against Khleif, Lifetime and REM)**

83. SPI incorporates by reference paragraphs 1 through 82 of this Complaint as if fully restated herein.

84. Ohio's Deceptive Trade Practices Act (R.C. § 4165.01, *et seq.*) prohibits a person or entity from engaging in deceptive trade practices.

85. Under the Act:

"A person engages in a deceptive trade practice when, in the course of the person's business, vocation, or occupation, the person does any of the following:

...

(1) passes off goods or services as those of another;

(2) causes likelihood of confusion or misunderstanding as the source, sponsorship, approval, or certification of goods or services;

(3) causes likelihood of confusion or misunderstanding as to affiliation, connection, or association with, or certification by, another;

(7) represents that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have...." R.C. § 4165.02(A).

86. Khleif and Lifetime have committed deceptive trade practices by asserting that Scheel and SPI approve of their multifamily investing program.

87. Khleif and Lifetime have committed deceptive trade practices by copying SPI's materials and holding them out to the public as their own.

88. Khleif and REM have committed deceptive trade practices by falsely representing and advertising that they are members of SPI's Diamond Inner Circle and have access to the group's collective experience and access to capital.

89. Khleif and REM have falsely suggested that SPI and the Diamond Inner Circle sponsor their company.

90. Plaintiff has been damaged by Khleif, REM and Lifetime's deceptive trade practices in an amount to be proven at trial, but reasonably believed to be in excess of \$25,000.

91. Because Khleif, REM and Lifetime willfully and knowingly engaged in their deceptive trade practices, Plaintiff is entitled to an award of its attorneys' fees under R.C. § 4165.03(B).

**COUNT FOUR**  
**(Tortious Interference with a Business Relationship against Khleif and REM)**

92. SPI incorporates by reference paragraphs 1 through 91 of this Complaint as if fully restated herein.

93. SPI enjoys a mutually beneficial business relationship with all of its Diamond Inner Circle Members.

94. Recently, certain members have left the Diamond Inner Circle. Some of the members who have left are now identified by Khleif and REM as Associate Advisors and members of REM's management team.

95. Khleif and REM knew that these individuals were members of the Diamond Inner Circle. In fact, Khleif was introduced to these individuals by Scheel at Diamond Inner Circle events.

96. Khleif and REM intentionally and improperly interfered with SPI's business relationships with these individuals and induced them to leave the Diamond Inner Circle.

97. Khleif and REM had no privilege to interfere with SPI's business relationships.

98. SPI has been damaged by Khleif and REM's tortious interference, and have lost income, clients, projects, real estate investment opportunities, and access to deal making capital as a result of Khleif and REM's actions.

99. Because Khleif and REM have acted with malice in tortiously interfering with SPI's business relationships, SPI is entitled to an award of punitive damages.

WHEREFORE, Plaintiff Scheel Publishing, Inc. demands judgment against Defendants in an amount in excess of Twenty Five Thousand Dollars (\$25,000.00), punitive damages and attorneys' fees in an amount to be determined by the Court or a jury, the costs of this action, interest, and such other relief as the Court deems just and equitable.

Respectfully submitted,

/s/ Kevin P. Shannon

Robert D. Kehoe (0017466)

Kevin P. Shannon (0084095)

KEHOE & ASSOCIATES, LLC

900 Baker Building

1940 East Sixth Street

Cleveland, Ohio 44114

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*Attorneys for Plaintiff*



**JURY DEMAND**

Plaintiff hereby demands a jury on all issues triable to a jury, said jury to be comprised of the maximum number of jurors allowable by law.

/s/ Kevin P. Shannon  
One of the attorneys for Plaintiff

# APPLICATION FOR J. SCOTT SCHEEL'S DIAMOND INNER CIRCLE

Date: 3-18-16**Personal Information**Name: Rob Khleif[X] Family Member or [ ] Business Partner, if attending: Tiffany KhleifAddress: 2405 Bayshore RoadCity: Nokomis State: FL Zip: 34275Phone # Work: (941) 961-2919 Home: ( ) Fax: ( )Email Address: Rob@RobKhleif.comAge: 56 Occupation: RE Investor How long? 38 YRSCEO Litigation Support Co. 7 YRS**Experience**What events have you attended? [X] Commercial Property Academy [ ] Masters Event [ ] Real Deal Land Deals

Are you a real estate investor? [X] Full time [X] Part time [ ] Just starting

Do you have commercial investing experience? [X] Yes [ ] No a littleHave you done any commercial deals to date? [X] Yes [ ] No Apartment ComplexDescribe your investing experience: I have owned over 2000 single family homes.Annual Income: 700K Approximate Net Worth: Complete Answer

Accredited Investor? [X] Yes [ ] No

**Membership**Why do you want to become a member? Peer group and motivated to take actionWhat can you contribute to the group? Systems Implementation, Extensive Business Skills, Goal setting and motivation skills

Are you willing to share details on your deals with others in the group? [X] Yes [ ] No [ ] Maybe

What is your biggest weakness? ImpatienceWhat is your biggest strength? Systems, Business, Sales, Mktg, Psychology Training

Do you intend to aggressively seek commercial deals? [X] Yes [ ] No

When you make a promise, can you be relied upon to keep it? [X] Yes [ ] No [ ] Usually

On a scale of 1 - 10, with 10 being the highest, how would you rate your motivation to join? 10Do you have a financial goal for the next 12 months? [X] Yes [ ] No If yes, what is it? 30K month Net Cash Flow

Is your credit: [ ] Good [ ] Fair [X] Poor

If accepted, can you afford the cost without financial hardship? [X] Yes [ ] No [ ] Not sure

I understand that this is only an application and does not guarantee me a Membership in the Diamond Inner Circle Club. I further understand and agree that Scheel Publishing Inc. reserves the sole right to approve or deny my application, for any reason whatsoever, stated or unstated. I will NOT receive a refund of any down payment used to hold my place unless I am not accepted as a Member. To the best of my knowledge, I have represented all information above accurately. If I intend to join with a business partner, my partner is required to fill out a separate application, also subject to approval.

Signature: [Signature] Date: 3-18-16



## Diamond Inner Circle

### Service Agreement

5900 SOM Center Rd #12-336, Willoughby, OH 44094  
800-577-5848 ♦ 216-731-8616 ♦ [www.DiamondInnerCircle.com](http://www.DiamondInnerCircle.com)

## THE DIAMOND INNER CIRCLE SERVICE AGREEMENT

This Service Agreement ("Agreement") is made and entered into between the undersigned Participant named below and Scheel Publishing Inc., an Ohio corporation ("SPI") as of the date of the last party to execute this Agreement.

Participant desires to (i) purchase the right to participate in SPI's Diamond Inner Circle program for one (1) year commencing on the date of SPI's acceptance of this Agreement and (ii) license the use of SPI's confidential and proprietary information.

### PARTICIPANT INFORMATION

Company \_\_\_\_\_  
Name Rob Last Name Khlief  
Address 2405 Boyshore Rd  
City Nokomis State FL Zip 34275  
E-mail Rob @ RobKhlief.com  
Cell Phone 941-961-2919 Work Phone 941-404-4469 Home Phone \_\_\_\_\_

### COMPANION MEMBERSHIP

As a Diamond Inner Circle Member, you have the right to apply for Companion Membership for one (1) spouse, domestic partner or business partner ("Companion Member"). SPI reserves the right to approve all requests for Companion Membership and to confirm the qualifications of all Companion Members. If a Participant requests that a business partner act as a Companion Member, the Participant must provide documentation confirmation that the business partner is an partner in an active business with the Participant generating income for at least twelve (12) months and submit a copy of the partnership documents confirming the partnership status. A Companion Member cannot be a business partner for a newly formed business or company without SPI's prior written consent.

Name of Companion Member (if applicable) Tiffany Khlief or mylas Khlief  
Relationship to Diamond Inner Circle Member wife son  
E-mail \_\_\_\_\_ Phone \_\_\_\_\_

### PROGRAM TERM

Program participation shall be commence effective Next Event and continue for one (1) year.  
Participation in this program includes the opportunity to participate in all Diamond Inner Circle events.

### BUSINESS PROGRAM

Participant acknowledges and agrees that the Program is a business training program for active real estate investors. This Program is not for personal, family or household purposes.



Initial SK



## Diamond Inner Circle Service Agreement

5900 SOM Center Rd #12-336, Willoughby, OH 44094  
800-577-5848 ♦ 216-731-8616 ♦ [www.DiamondInnerCircle.com](http://www.DiamondInnerCircle.com)

### PARTICIPATION FEE

Participant agrees to pay the sum of Thirty Thousand Dollars (\$30,000.00) for participation in the Program as outlined below (the "Participation Fee") and Participant agrees to submit a Five Thousand Dollar (\$5,000.00) deposit with Participant's submission of this Agreement to SPI.

Participation in this program will be effective for one (1) year from the date of acceptance of this agreement. Meals, hotel accommodation, and transportation costs are not included in the Participation Fee participation fee, are the sole responsibility of the Participant.

OPTION #1	OPTION #2
<input type="checkbox"/> Paid in full  \$5,000 deposit and the balance of twenty thousand dollars (\$20,000) within ten (10) days after execution of this Agreement by SPI confirming Participant's acceptance as a Participant in The Diamond Inner Circle. Participant will receive a five thousand dollar (\$5,000) discount if the Participation Fee is received by SPI within ten (10) days after execution of this Agreement by SPI and if Participant elects this option  <div style="text-align: right;"><b>\$25,000</b></div>	<input checked="" type="checkbox"/> Down Payment & Monthly Installments  <sup>8</sup> <del>\$5,000</del> deposit and the balance in <del>ten (10)</del> equal consecutive installments of Two Thousand Five Hundred Dollars (\$2,500) on the first (1 <sup>st</sup> ) day of each month for ten (10) months after execution of this Agreement by SPI. Participant must enroll in automatic payments using a credit card approved by SPI or by recurring ACH payments.  <div style="text-align: right;"><del>\$30,000</del> <b>25,000</b></div>

Participant acknowledges and agrees that the Participation Fee is earned upon acceptance in the Program and execution of this Agreement by SPI and is non-refundable. In the event any payments are missed on Option #2 and to the extent permitted by law, unpaid amounts shall accrue interest at the lesser of the maximum amount permitted to be charged by law or one and 5/10 percent (1.5%) per month and SPI shall be entitled to receive all collections costs and expenses including but not limited to reasonable attorneys' fees.

If after notification to Participant of acceptance to the Diamond Inner Circle and the acceptance thereof by the Participant, both parties shall be bound by this Agreement. Participant guarantees to fulfill the financial obligations under the terms of this Agreement.

### J. SCOTT SCHEEL LIVE EVENTS INCLUDED

So long as a Participant is in good standing, admission into the Program includes a non-transferrable right to attend live events by J. Scott Scheel's Commercial Property Academy conducted and sponsored by SPI without charge. Participant may bring a Companion Member to live events and may request the right to bring another approved guest as set forth below.

### DIAMOND INNER CIRCLE EVENTS

Participant are expected to attend four (4) Diamond Inner Circle Boardroom Conferences each year which generally span two (2) days. Participant will be given advance notification of said Conference, and participation shall be at Participant's election. If Participant chooses not to participate in any Conference that is offered during the term of this Agreement, the parties agree that SPI is not obligated to provide that opportunity again in the future and there will be no make-up Diamond Inner Circle Boardroom Conference.



## Diamond Inner Circle Service Agreement

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800-577-5848 ♦ 216-731-8616 ♦ [www.DiamondInnerCircle.com](http://www.DiamondInnerCircle.com)

### TRAVEL COSTS NOT INCLUDED

Travel expenses, meals, and accommodation expenses with regard to any Conferences are the responsibility of Participant, and are not included as part of the Diamond Inner Circle Participation Fee.

### COMPANION MEMBERSHIPS AND AUTHORIZED GUESTS

Participant may submit an applicant to SPI to be a Companion Member as provided herein. Participant may also submit immediate family member (defined as spouses, significant others, children, and parents) or active day-to-day business partners of the Participant to be an authorized guest ("Authorized Guest") at live events subject to approval by SPI.

Participants acknowledge and agrees that current and prior participants in the Program are disqualified from being a Companion Member and Authorized Guest unless waived by SPI in its sole discretion.

### CANCELLATION

Participant may cancel this transaction without penalty or obligation by submitting to Scheel Publishing Inc., a signed and dated written notice postmarked prior to midnight of the third (3<sup>rd</sup>) business day after the date of this Agreement or the official interview date, whichever occurs last. Your notice must be mailed or delivered to: Scheel Publishing Inc., 5900 SOM Center Road, Suite 12-336, Willoughby, OH 44094. Faxed notices are NOT acceptable. Cancellation after the third day shall result in the forfeiture to SPI of the Participation Fee paid and Participant shall remain obligated for the balance of the Participation Fee.

SPI may terminate this Agreement at any time during the term of the Agreement if, at SPI's sole discretion, the Participant conducts him/herself in any way inconsistent with the standards or purposes of the Diamond Inner Circle. If SPI elects to terminate this Agreement, then SPI, at its sole discretion, may choose to refund a portion of the Participation Fee.

### INDEMNIFICATION

Participant agrees to indemnify and hold harmless SPI, and its affiliated companies, their officers, directors, employees and assigns from any and all claims, demands, suits, expenses, costs, reasonable attorneys' fees, judgments or other charges incurred by Participant, Companion Member or an Authorized Guest as a result of participation in any event, program, coaching or other activity associated with this Agreement.

### DISPUTES

The parties agree to use their best efforts to resolve any and all disputes arising from this Agreement. The laws of the State of Ohio shall govern this Agreement and the Participant and SPI agree that the exclusive venue shall be state and federal courts located in Cuyahoga County, Ohio.

### OWNERSHIP

Participant understands that all materials, concepts, and information (collectively "Materials") presented and used by SPI during Participant's participation in the Diamond Inner Circle, either orally or in writing, are the property of SPI and are protected by copyright, trade secret, and other applicable laws. Participant acknowledges that the Materials constitute commercially valuable, proprietary, confidential property of SPI, the design and development of which required the investment of substantial effort, time, and money by SPI.

All rights in the Diamond Inner Circle and the Materials are expressly reserved by SPI. Participant agrees not to reproduce, copy, or otherwise duplicate, and not to distribute, lend, or otherwise transfer, the Materials without the prior written permission of SPI.

Participant agrees not to use the Materials in any way that would compromise the confidential and proprietary nature of the Materials. Participant understands that the Materials presented by SPI in the Diamond Inner Circle are intended solely for use in the Diamond Inner Circle. Participant understands membership in the program includes a



## Diamond Inner Circle

### Service Agreement

5900 SOM Center Rd #12-336, Willoughby, OH 44094  
800-577-5848 ♦ 216-731-8616 ♦ [www.DiamondInnerCircle.com](http://www.DiamondInnerCircle.com)

license to use the Materials for Participant's use but not disclosure Materials to third parties without SPI's consent. Participant may discuss the program and benefits Participant realized from participation with third parties. Participant agrees not to resell, reproduce or market, modify and sell, or repackage and sell the Materials. Participant agrees that I will not use the Materials for any purpose other than Participant's own personal use except with the prior written permission of SPI. Participant agrees not to deliver or transmit the Materials to third parties, not to copy, extract or disseminate any Materials (online, in print or otherwise) and shall not reproduce or modify said materials, or portion of the contents of said Materials either orally or in writing, as part of any seminar, training program, workshop, consulting, or similar business activity which Participant may make available to Participant's clients or to others, except with the prior written permission of SPI.

#### NOMENCLATURE

The term "partner" or "partnership" as used herein is used in a generic context, not a legal context, and as such does not in any way create a partnership entity between the Participant and SPI or any of its affiliates or J. Scott Scheel.

#### WARRANTIES

You acknowledge that you are not relying upon any warranties, promises, guarantees, or representations made by SPI, or J. Scott Scheel, individually, or anyone acting or claiming to act on behalf of SPI, unless same is in writing or as a part of this Agreement. Except as provided herein, this Agreement cannot be modified unless such modification is reduced to writing and signed by the parties.

#### ENTIRE AGREEMENT

This Agreement, when executed by the parties, shall become a binding Agreement, which represents the entire agreement between the parties. No other representations, promises, or agreements, whether oral or written, shall be of any effect or validity. The parties may amend this Agreement in writing signed by both parties. This Agreement is not binding on SPI until it has been executed by an authorized agent or officer of SPI.

Signed:

Date:

Participant Signature

3-18-16

Authorized Scheel Publishing Inc. Signature

April 7, 2016

*[Handwritten Initials]*



Log

**Invoice**

Scheel Publishing  
5900 SOM Center Blvd.  
Suite 12-336  
Willoughby, Ohio 44094  
United States  
1 (800) 577-5848

Date	Invoice #	Due Date
August 25, 2016	19695	09/12/2016

TO:

Rod Khleif  
REM Real Estate and Management  
2405 Bayshore Rd  
Nokomis, Florida 34275  
United States

SHIP TO:

Rod Khleif  
REM Real Estate and Management

Qty	Description	Unit Price	Total
1	Diamond Inner Circle Payment Plan - \$25,000.00	\$25,000.00	\$25,000.00
<b>Total Purchases</b>			<b>\$25,000.00</b>

**Payments Made**

3/19/2016	Credit Card (Manual) - PAID	\$5,000.00
4/15/2016	Credit Card (Manual) - PAID	\$2,000.00
5/18/2016	Credit Card (Manual) - PAID	\$2,000.00
6/15/2016	Credit Card (Manual) - PAID	\$2,000.00
7/15/2016	Credit Card (Manual) - PAID	\$2,000.00
8/15/2016	Credit Card (Manual) - PAID	\$2,000.00
<b>Total Payments &amp; Adjustments</b>		<b>\$15,000.00</b>

**Payments Due**

3/15/2016	Current	\$0.00
4/15/2016	Current	\$0.00
5/15/2016	Current	\$0.00
6/14/2016	Current	\$0.00
7/14/2016	Current	\$0.00
8/13/2016	Current	\$0.00
9/12/2016	Future	\$2,000.00
10/12/2016	Future	\$2,000.00
11/11/2016	Future	\$2,000.00
12/11/2016	Future	\$2,000.00
1/10/2017	Future	\$2,000.00
<b>Outstanding Balance</b>		<b>\$10,000.00</b>
<b>Balance Due Now</b>		<b>\$0.00</b>

Thank you!

Christina Metz  
Client Relationship Manager & Events Coordinator  
Scheel Publishing, Inc.  
J. Scott Scheel & The Commercial Property  
[www.CommercialAcademy.com](http://www.CommercialAcademy.com)



Electronically Filed 12/18/2019 12:23 / CV 19 926765 / Confirmation Nbr. 1897074 / CLSK1

8/25/2016 3:22 PM

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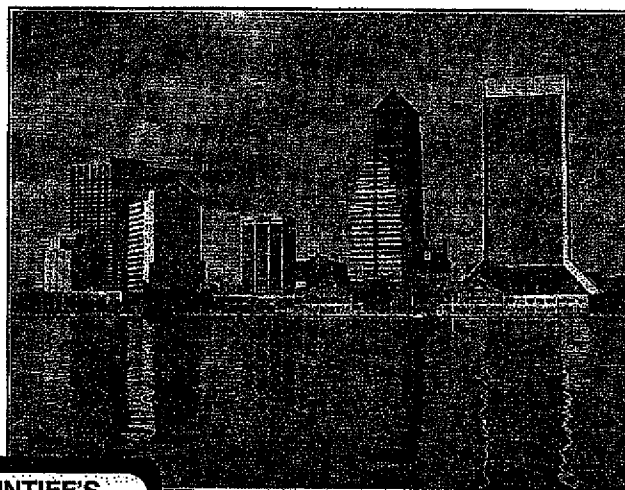
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## Diamond Inner Circle

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### DIAMOND INNER CIRCLE

We are part of a nationwide U.S. commercial real estate investment group, the Diamond Inner Circle (DIC). The DIC is headed by the two-time Wall Street Journal Congressional Businessman of the Year, J. Scott Scheel. The DIC is composed of a network of multimillionaire private investors with the core focus of acquiring commercial real estate and a longer-term goal of establishing a private equity group.



ALL-STATE LEGAL

PLAINTIFF'S  
EXHIBIT

D



The group's collective Real Estate holdings total over 200 million dollars in properties ranging from core single tenant A credit rated retail, regional power centers, multi-family, warehouses, to office buildings all over North America.

We meet by teleconference monthly and in person quarterly in board meetings to evaluate current portfolio performance, strategize for upcoming capital deployment needs, mastermind on maximizing return for existing properties, evaluate investments we are working on, make new quarterly investment choices, and strategize performance efficiencies and value maximization milestones against projections.

The group shares the same investment mandate, philosophy, and strategy. We acquire properties both individually as well as in partnership, depending on the property. We focus on class A and class B buildings in primary and secondary markets.

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## Management Team



### Rod Khleif

Rod Khleif is a passionate real estate investor who has personally owned and managed over 2000 apartments and homes. Rod is the host of the number one real estate podcast on Itunes; "Lifetime Cash Flow through Real Estate Investing". As an accomplished entrepreneur, Rod has built several successful multi-million dollar businesses. But ask Rod what he is most proud of, and he will tell you about his work as a community philanthropist, over the past 14 years Rod's work has benefitted more than 40,000 underprivileged community children.

Khleif has combined his passion for real estate investing with his personal philosophy of goal setting, envisioning, and manifesting success to become one of America's top real estate investment professionals.

As Director of Investments at REM, Khleif uses his expertise to guide the firm in identifying and acquiring undervalued apartment complexes. Khleif specializes in implementing efficient management and communication to ensure profitability. By efficiently



managing real estate holdings, rents are paid on time. Renovations are made quickly and in a cost-effective manner. This attracts stable tenants who are interested in affordable housing. Khleif believes that efficient management that communicates an aggressive rent collection policy is vital to turning around an unprofitable apartment community.

Before being named as a director at REM, Khleif was president of Gulf Coast Management Inc., a real estate property management company in the Sarasota, FL area. In this position, Khleif managed thousands of single family and multifamily home units. He also oversaw the recruitment, training, and management of 60 full-time employees and contractors.

Giving back to the community is a major passion for Khleif. He is founder and long-serving president of the Tiny Hands Foundation, a children's charitable foundation that leads several annual community charitable initiatives including: Back-to-School Backpack Brigade; provides thousands of new Backpacks filled with school supplies to community school children in need. Teddy Bear Brigade; provides thousands of Teddy Bears for community police department patrol cars to be given out by police officers to comfort children in distress. Holiday Basket Brigade; provides thousands of Holiday Gift Baskets filled with food and Christmas toys to community children and families in need.

Khleif is rendering his personal business success and real estate investment expertise into a book. This work will focus primarily on cash flow and how it comes into



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Contact



### Robert Ritzenthaler, CPA

For the past 17 years Robert has been involved in completing over \$100 million of commercial and multi-family real estate transactions from New York to Florida. During that same time Robert was instrumental in building a commercial construction company and property management business to further monetize the portfolio investments that were made. Robert has also spent time on Wall Street helping raise capital and launch a \$72 million technology hedge fund. He has guided equity partners on over a dozen acquisitions ranging from real estate to manufacturing and been responsible for raising capital for these projects and completing due diligence. As a CPA with many years of CFO experience, Robert also understand the importance of knowing the numbers and managing risk.



### Kevin Bupp, Senior Advisor

Kevin is a trusted senior advisor at REM Equity Group. A proven success in multiple sectors of real estate and an expert in Mobile Home Park investing, Kevin has over \$40mm of real estate transactions under his belt and is a principle in 8 mobile home parks located in 7 states. This extensive investment experience makes Kevin proficient in marketing, underwriting, negotiating, structuring transactions, performing due diligence, and managing mobile home parks. Kevin has become an industry leader in real estate investing education. Over half a million people seeking real estate advice download Kevin's Commercial Real Estate and Mobile Home Park Podcasts on an annual basis.



## Kandy McCashland

Kandy McCashland brings more than 22 years experience as a successful Multi-Site Property Manager with an in-depth knowledge and understanding of state, federal, and local laws relating to fair housing, ADA, Equal Employment and OSHA regulations. Kandy has managed over 2000 apartment units throughout Florida and was responsible for the leasing, advertising, marketing, CAPEX renovations, business administration, condo conversion, budgeting, and collections. Kandy loves a good challenge, works well under pressure, and always keeps her deadlines.

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## Associate Advisors

Nick Snyder (IL & MO), Rik Magon (Quebec), Alan Toth (NY), Anthony Giovannone (PA), Frank Giovannone (PA), Sean Katona (WA & CA), Shawn & Janet Johanson (MN), Danny Newberry (UT), Zack Zarilli (CA) Joseph Le'Bas (FL, GA).

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<b>CASE NO.</b> CV19926765	<b>D1 FX</b>	<b>SUMMONS NO.</b> 40634858
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CLEVELAND, OHIO 44113

Rule 4 (B) Ohio

Rules of Civil  
Procedure

## SUMMONS

<p><b>SCHEEL PUBLISHING, INC.</b></p> <p><b>VS</b></p> <p><b>RIYAD (ROD) KHLEIF, ET AL.</b></p>	<p><b>PLAINTIFF</b></p> <p><b>DEFENDANT</b></p>
-------------------------------------------------------------------------------------------------	-------------------------------------------------

<p>RIYAD (ROD) KHLEIF 2405 BAYSHORE ROAD NOKOMIS FL 34275</p>
-----------------------------------------------------------------------

Said answer is required to be served on:



Plaintiff's Attorney

<p>KEVIN P. SHANNON 1940 EAST 6TH STREET</p> <p>900 BAKER BUILDING CLEVELAND, OH 44114-0000</p>
---------------------------------------------------------------------------------------------------------

Case has been assigned to Judge:

<p>DEENA R CALABRESE</p> <p><b>Do not contact judge. Judge's name is given for attorney's reference only.</b></p>
-------------------------------------------------------------------------------------------------------------------

<p><b>DATE SENT</b> Dec 18, 2019</p>
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**NAILAH K. BYRD**  
Clerk of the Court of Common Pleas

*Sarah Kule*

By \_\_\_\_\_  
Deputy



COMPLAINT FILED 12/18/2019





<b>CASE NO.</b> CV19926765	<b>D2 FX</b>	<b>SUMMONS NO.</b> 40634859
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CLEVELAND, OHIO 44113

Rule 4 (B) Ohio

Rules of Civil  
Procedure

## SUMMONS

<p><b>SCHEEL PUBLISHING, INC.</b></p> <p><b>VS</b></p> <p><b>RIYAD (ROD) KHLEIF, ET AL.</b></p>
-------------------------------------------------------------------------------------------------

**PLAINTIFF**

**DEFENDANT**

<p>TIFFANY LOWE-KHLEIF 2405 BAYSHORE ROAD NOKOMIS FL 34275</p>
------------------------------------------------------------------------

Said answer is required to be served on:



Plaintiff's Attorney

<p>KEVIN P. SHANNON 1940 EAST 6TH STREET</p> <p>900 BAKER BUILDING CLEVELAND, OH 44114-0000</p>
---------------------------------------------------------------------------------------------------------

You have been named defendant in a sums complaint (copy attached hereto) filed in Cuyahoga County Court of Common Pleas, Cuyahoga County Justice Center, Cleveland, Ohio 44113, by the plaintiff named herein.

You are hereby summoned and required to answer the complaint within 28 days after service of this summons upon you, exclusive of the day of service.

Said answer is required to be served on Plaintiff's Attorney (Address denoted by arrow at left.)

Your answer must also be filed with the court within 3 days after service of said answer on plaintiff's attorney.

If you fail to do so, judgment by default will be rendered against you for the relief demanded in the complaint.

Case has been assigned to Judge:

<p>DEENA R CALABRESE</p> <p><b>Do not contact judge. Judge's name is given for attorney's reference only.</b></p>
-------------------------------------------------------------------------------------------------------------------

**NAILAH K. BYRD**  
Clerk of the Court of Common Pleas

*Sarah Kule*

By \_\_\_\_\_  
Deputy



<p><b>DATE SENT</b></p> <p>Dec 18, 2019</p>
---------------------------------------------

COMPLAINT FILED 12/18/2019



<b>CASE NO.</b> CV19926765	<b>D3 FX</b>	<b>SUMMONS NO.</b> 40634860
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CLEVELAND, OHIO 44113

Rule 4 (B) Ohio

Rules of Civil  
Procedure

## SUMMONS

<p>SCHEEL PUBLISHING, INC. <b>VS</b> RIYAD (ROD) KHLEIF, ET AL.</p>	<p><b>PLAINTIFF</b></p> <p><b>DEFENDANT</b></p>
-----------------------------------------------------------------------------	-------------------------------------------------

<p>LIFETIME CASHFLOW ACADEMY, LLC 8388 S. TAMIAMI TRAIL, #153 SARASOTA FL 34238</p>
---------------------------------------------------------------------------------------------

Said answer is required to be served on:



Plaintiff's Attorney

<p>KEVIN P. SHANNON 1940 EAST 6TH STREET  900 BAKER BUILDING CLEVELAND, OH 44114-0000</p>
-----------------------------------------------------------------------------------------------------------

Case has been assigned to Judge:

<p>DEENA R CALABRESE Do not contact judge. Judge's name is given for attorney's reference only.</p>
-------------------------------------------------------------------------------------------------------------

<p><b>DATE SENT</b> Dec 18, 2019</p>
------------------------------------------

**NAILAH K. BYRD**  
Clerk of the Court of Common Pleas

*Sarah Kule*

By \_\_\_\_\_  
Deputy



COMPLAINT FILED 12/18/2019





<b>CASE NO.</b> CV19926765	<b>D4 FX</b>	<b>SUMMONS NO.</b> 40634861
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CLEVELAND, OHIO 44113

Rule 4 (B) Ohio

Rules of Civil  
Procedure

## SUMMONS

SCHEEL PUBLISHING, INC.  
**VS**  
RIYAD (ROD) KHLEIF, ET AL.

**PLAINTIFF**

**DEFENDANT**

REM EQUITY GROUP, LLC  
DBA REM CAPITAL PARTNERS  
180 TRIPLE DIAMOND BOULEVARD B4  
NORTH VENICE FL 34275

You have been named defendant in a sums complaint (copy attached hereto) filed in Cuyahoga County Court of Common Pleas, Cuyahoga County Justice Center, Cleveland, Ohio 44113, by the plaintiff named herein.

You are hereby summoned and required to answer the complaint within 28 days after service of this summons upon you, exclusive of the day of service.

Said answer is required to be served on Plaintiff's Attorney (Address denoted by arrow at left.)

Your answer must also be filed with the court within 3 days after service of said answer on plaintiff's attorney.

If you fail to do so, judgment by default will be rendered against you for the relief demanded in the complaint.

Said answer is required to be served on:



Plaintiff's Attorney

KEVIN P. SHANNON  
1940 EAST 6TH STREET  
  
900 BAKER BUILDING  
CLEVELAND, OH 44114-0000

Case has been assigned to Judge:

DEENA R CALABRESE  
Do not contact judge. Judge's name is given for attorney's reference only.

**NAILAH K. BYRD**  
Clerk of the Court of Common Pleas

*Sarah Kule*



**DATE SENT**  
Dec 18, 2019

By \_\_\_\_\_  
Deputy

COMPLAINT FILED 12/18/2019

